



Department of State

TELEGRAM

UNCLASSIFIED 1685 PUSS DUPE

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A7

ACTION NEA-16

INFO OCT-01 ISC-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAC-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 ORC-01 AID-20 EUR-25 IO-14 SAM-01 SAG-01

FEA-02 EB-11 COME-00 TRSE-00 XMB-07 OPIC-12 CIEP-03

AGR-20 /209 W

007743

P 031150Z SEP 74
 FM AMEMBASSY CAIRO
 TO CSTATE WASHDC 8717
 INFO AMEMBASSY AMMAN
 AMEMBASSY BEIRUT
 AMEMBASSY BUNN
 AMEMBASSY DAMASCUS
 AMCONSUL JERUSALEM
 AMEMBASSY JIDDA
 AMEMBASSY TEL AVIV

UNCLAS CAIRO 0777

F.O. 11052: NA

TAGS: PINT EG

SUBJECT: SUEZ CANAL ZONE: BUILDING BEGINS IN EARNEST

1. AS DEPARTMENT IS AWARE, NEW CONSTRUCTION AND REPAIRS TO THOSE BUILDINGS WHICH ARE RECLAIMABLE HAVE BEGUN IN EARNEST FROM SUEZ TO PORT SAID.

2. GOF HIGHER RECONSTRUCTION COMMITTEE CHAIRED BY FIRST DEPUTY PM HEGAZI IS MEETING THIS WEEK IN CANAL ZONE. PRESS QUOTES HEGAZI AS TELLING COMMITTEE SEPTEMBER 2 IN SUEZ THAT PURPOSE OF MEETINGS IS TO EXPLORE DIFFICULTIES IMPEDING SADAT'S DIRECTIVES FOR RESTORATION OF NORMAL LIFE IN ZONE BY OCTOBER 6. HE REPORTEDLY SAID "NORMAL LIFE" SHOULD BE RESTORED FOR ABOUT 60,000-70,000 PEOPLE BY OCTOBER 6, AND 120,000 BY END OF

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YEAR. HE PRAISED "TREMENDOUS EFFORT" NOW BEING EXERTED IN HOUSING SECTOR AND LOOK FORWARD TO GREATER PARTICIPATION BY PRIVATE SECTOR.

3. GOVERNOR OF SUEZ IS QUOTED BY PRESS AS SAYING 25 SCHOOLS (ELEMENTARY THROUGH LYCEE LEVEL) WILL BE OPEN FOR 1974-75 ACADEMIC YEAR, AND 17 OTHER SCHOOLS WILL BE OPENED SHORTLY AFTER. GOVERNOR REPORTEDLY STRESSED NEED TO WIDEN CAIRO-SUEZ ROAD WHICH HE ESTIMATED WOULD COST L.E. 2,850,000.

4. MINISTER OF HOUSING AND RECONSTRUCTION TOLD PRESS THAT OF 3,000 HOUSING UNITS PLANNED, 1,000 HOUSES FOR CRAFTSMEN AND 400 FOR RURAL DWELLERS WILL BE IN SERVICE BY END OF YEAR. THESE ARE BEING BUILT BY SIX PUBLIC SECTOR CONTRACTORS IN COLLABORATION WITH PRIVATE SECTOR.

5. DURING MEETINGS WITH VARIOUS LOCAL COUNCILS IN SUEZ, HEGAZI REPORTEDLY ANNOUNCED FOLLOWING PROJECTS HAVE BEEN APPROVED: GAS PIPELINE FROM SHUQAIR TO SUEZ FERTILIZER PLANT (L.E. 30 MILLION); CONTRACT WITH FRG TO CONSTRUCT POWER STATION AT SUEZ; ESTABLISHMENT OF BAKERY, VEGETABLE FARM, OPENING OF BRANCH OF NASR BANK TO PROVIDE FINANCING FOR LOCAL CRAFTSMEN, AND PROJECT TO IMPROVE SUEZ SEWAGE SYSTEM BY END OF SEPTEMBER.

6. COMMENT: WHILE WE OBVIOUSLY CANNOT VOUCH FOR SPECIFIC FIGURES CITED ABOVE, THRUST OF HEGAZI'S COMMENTS JIBES WITH OUR OWN RECENT OBSERVATIONS OF THE AREA. ONLY LAST FRIDAY, AMBASSADOR TOURED SUEZ CANAL AREA AND WAS STRUCK BY THE CONSIDERABLE CIVILIAN RESETTLEMENT AND BUILDING RECONSTRUCTION EVIDENT IN SUCH LOCALES AS ISMAILIA, QANTARA WEST AND SUEZ. GOF SEEMS IN EARNEST ABOUT REBUILDING THESE WAR DAMAGED AREA ASAP.
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